

ASSOCIATED PRESS.  
17 May 1985

WASHINGTON

The Soviet Union and Cuba have established and are consolidating a "beachhead" in Nicaragua as a launching pad to subvert the rest of Central and South America, CI A Director William Casey says.

The threat, according to the Central Intelligence Agency chief, is to the Panama Canal in the short term, to Mexico in "a somewhat longer term" and could result in a "tidal wave" of refugees to the United States.

At stake, he says, is control of the Panama Canal and, ultimately, the oil fields of the Middle East.

Nicaragua is only one part of a "worldwide process" the Soviets have worked successfully in other areas, he says.

"This campaign of aggressive subversion has nibbled away at friendly governments and our vital interests until today our national security is impaired in our immediate neighborhood as well as in Europe, Asia, Africa and Latin America," Casey says.

His remarks are contained in a speech scheduled for delivery Saturday to the World Business Council in San Antonio, Texas, The Washington Times reported today.

CIA spokeswoman Kathy Pherson would not comment today on Casey's plans but did say the speech text printed by the Times was of a speech Casey delivered May 1 to the Metropolitan Club of New York.

The newspaper said Casey's speech sets out the administration's view of why Americans should consider its vital interests threatened by a Marxist government in a small nation in Central America.

The two primary targets of "all this carnage, this creeping imperialism" are "the oil fields of the Middle East, which are the lifeline of the Western Alliance, and the isthmus between North and South America," Casey says.

"Afghanistan, South Yemen, Ehtiopia, as well as Cam Ranh Bay in Vietnam, and Mozambique and Angola in southern Africa, bring Soviet power astride the sea lanes which carry those resources to America, Europe and Japan," he says.

"Capabilities to threaten the Panama Canal in the short term and Mexico in a somewhat longer term are being developed in Nicaragua, where the Sandinista revolution is the first successful Castroite seizure of power on the American mainland," the director says.

The Sandinistas are "building the strongest armed forces in Central America and becoming a center for exporting subversion to Nicaragua's neighbors," the CIA head says.

The U.S. intelligence community, according to Casey, believes that in Nicaragua "the Soviet Union and Cuba have established and are consolidating a beachhead, are putting hundreds of millions of dollars worth of military equipment into it, and have begun to use it as a launching pad to carry their style of aggressive subversion into the rest of Central America and elsewhere in Latin America."